SASKATCHEWAN FUR MARKETING SERVICE

Saskatchewan Fur Marketing Service

Letter of Transmittal

Regina, Saskatchewan
March 1, 1983

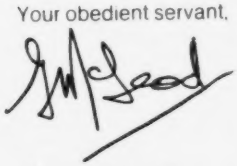
To His Honour,
The Honourable C. Irwin McIntosh,
Lieutenant-Governor of the Province of Saskatchewan.

Sir:

I have the honour to submit herewith the annual report of the Saskatchewan Fur Marketing Service for the year ending September 30, 1982, and for the period ending December 31, 1982, including the financial statements therefor, duly certified by the Provincial Auditor and in the form approved by the Treasury Board, all in accordance with The Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your obedient servant,



George McLeod,
Minister of Tourism and
Renewable Resources
and Minister Responsible
Saskatchewan Fur Marketing Service.

Saskatchewan Fur Marketing Service

Board of Directors

Honourable George McLeod, Meadow Lake.

Honourable Neal Hardy, Hudson Bay.

Rod Ulrich, Secretary to the Board, Regina.

Overview

Saskatchewan Fur Marketing Service

The Saskatchewan Fur Marketing Service was established to operate as a fur auction house for the purpose of marketing pelts of fur bearing animals through auction and private treaty sale on behalf of the fur trappers of Saskatchewan.

In recent years the corporation's market share of Saskatchewan pelts declined and its net profit went from a high of $189,000 in 1977 to a net loss of $141,848 for the year ended September 30, 1982.

In October, 1982 the Board of Directors of the Saskatchewan Fur Marketing Service reviewed the Corporation's mandate and decided that the marketing needs of the Saskatchewan fur trappers were adequately being filled by the private sector.

On October 25, 1982, the Saskatchewan Fur Marketing Service closed its doors to the public and the staff began winding up the affairs of the Corporation. On December 31, 1982 the assets and liabilities of the Corporation were transferred to the Crown Investments Corporation of Saskatchewan.

The Corporation acknowledges the dedication of its staff and the support of the customers over the years.

Saskatchewan Fur Marketing Service

Financial Statements

Year Ended September 30, 1982

Office of the Provincial Auditor
Regina, Saskatchewan

Saskatchewan Fur Marketing Service

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Fur Marketing Service as at September 30, 1982 and the statements of operations, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Fur Marketing Service as at September 30, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
December 31, 1982.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Saskatchewan Fur Marketing Service

Statement of Financial Position

As at September 30

ASSETS	1982	1981
Current		
Cash	$ 19,478	$ —
Accounts receivable and prepaid expenses	7,109	6,713
Loan receivable — Crown Investments Corporation of Saskatchewan	—	100,000
	$ 26,587	$ 106,713
Fixed		
Land, buildings and equipment (Note 4)	67,931	71,195
	$ 94,518	$ 177,908
LIABILITIES AND PROVINCE'S EQUITY		
Current		
Bank overdraft	$ —	$ 30,561
Accounts payable	6,096	2,077
Demand Loan — Crown Investments Corporation of Saskatchewan	85,000	—
	$ 91,096	$ 32,638
Province of Saskatchewan's Equity		
Advances (Note 3)	$ 50,000	$ 50,000
Retained earnings	(46,578)	95,270
	3,422	145,270
	$ 94,518	$ 177,908

(See accompanying notes)

Saskatchewan Fur Marketing Service

Statement of Operations

For the Years Ended September 30

	1982	1981
Revenue		
Commission earned	$ 73,224	$ 120,300
Brokerage and other charges	59,054	116,926
	$ 132,278	$ 237,226
Operating expenses		
General operating	268,494	226,621
Depreciation	5,632	5,335
	$ 274,126	$ 231,956
Net earnings (loss)	$ (141,848)	$ 5,270

(See accompanying notes)

Saskatchewan Fur Marketing Service

Statement of Retained Earnings

For the Years Ended September 30

	1982	1981
Retained earnings, beginning of the year		
– appropriated (Note 6)	$ 50,000	$ 50,000
– unappropriated	45,270	40,000
	$ 95,270	$ 90,000
Net earnings (losses)	$ (141,848)	5,270
Retained earnings (deficit),	$ (46,578)	$ 95,270

Statement of Changes in Financial Position

For the Years Ended September 30

	1982	1981
Funds from operations		
Net earnings	$ –	$ 5,270
Add items not requiring an outlay of funds – depreciation	5,632	5,335
	$ 5,632	$ 10,605
Application of funds		
Net loss	141,848	–
Purchase of fixed assets	2,368	–
	144,216	–
Increase (decrease) in working capital	$ (138,584)	$ 10,605

Notes to Financial Statements

September 30, 1982

1. **Accounting Policy — Depreciation**

   Depreciation is recorded on the straight line basis over the estimated useful lives of the assets as follows:

   Buildings — 2½%
   Elevator — 4%
   Office equipment — 10%

2. **Status of Corporation**

   The Saskatchewan Fur Marketing Service was established as a Corporation under The Crown Corporations Act 1947, Chapter 13, by virtue of Order-in-Council #1789/58 and continues under The Crown Corporations Act in 1978. The accounts of Saskatchewan Fur Marketing Service are consolidated in the annual financial statements of Crown Investments Corporation of Saskatchewan.

3. **Advances**

   These advances are non-interest bearing and repayable at the discretion of Crown Investments Corporation of Saskatchewan.

4. **Fixed Assets and Accumulated Depreciation**

	1982			1981
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land and buildings ...	$145,570	$85,455	$60,115	$64,507
Equipment.....	12,048	4,232	7,816	6,688
Total	$157,618	$89,687	$67,931	$71,195

5. **Related Parties**

   Included in these financial statements are revenue and expenses resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown controlled departments, agencies and corporations with which the corporation is related.

   Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

   Other amounts due to related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

6. **Appropriated Retained Earnings — Reserve for Contingency**

   The reserve for contingency was appropriated from retained earnings to provide for any possible decline in the market value of furs.

7. **Subsequent Event**

   As of December 31st, 1982 by virtue of Order-in-Council #2133/82, Saskatchewan Fur Marketing Service was wound up and the Corporation dissolved, the assets sold to and obligations assumed by Crown Investments Corporation of Saskatchewan. Fixed assets were transferred at recorded book value effective December 4, 1982 to the Crown Investments Corporation of Saskatchewan. All other assets and liabilities were assumed by Crown Investments Corporation of Saskatchewan at December 31, 1982.

Saskatchewan Fur Marketing Service

Financial Statements

For the Three Months Ended
December 31, 1982

Office of the Provincial Auditor
Regina, Saskatchewan

Saskatchewan Fur Marketing Service

Financial Statements

For the Three Months Ended December 31, 1982

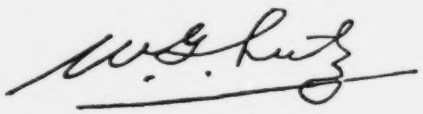
Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Fur Marketing Service as at December 31, 1982 and the statements of operations, retained earnings and changes in financial position for the period October 1, 1982 to December 31, 1982. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Fur Marketing Service as at December 31, 1982 and the results of its operations and the changes in its financial position for the period October 1, 1982 to December 31, 1982 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I have also examined the statement of financial position of the Saskatchewan Fur Marketing Service prior to dissolution of the corporation and acquisition by the Crown Investments Corporation of Saskatchewan. In my opinion, this statement of financial position presents fairly the financial position of Saskatchewan Fur Marketing Service prior to dissolution at December 31, 1982 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
February 1, 1983.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Saskatchewan Fur Marketing Service

Statement of Financial Position

	As at December 31, 1982	Close of Business December 31, 1982	September 30, 1982
	Note 5		
ASSETS			
Current			
Cash	$ —	$ 41,639	$ 19,478
Accounts receivable and prepaid expenses	—	7,133	7,109
	—	48,772	26,587
Fixed			
Land, buildings and equipment (Note 5)	—	—	67,931
	$ —	$ 48,772	$ 94,518
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Accounts payable	$ —	$ 58,679	$ 6,096
Demand loan — Crown Investments Corporation of Saskatchewan	—	145,000	85,000
	—	203,679	91,096
Province of Saskachewan's Equity			
Advances (Note 2)	—	50,000	50,000
Retained earnings	—	(204,907)	(46,578)
	—	(154,907)	3,422
	$ —	$ 48,772	$ 94,518

(See accompanying notes)

Saskatchewan Fur Marketing Service

Statement of Retained Earnings

	For the Period October 1 to December 31, 1982	For the Year Ended September 30, 1982
Retained earnings, beginning of period		
— appropriated (Note 3)	$ 50,000	$ 50,000
— unappropriated	(96,578)	45,270
	(46,578)	95,270
Net loss	(158,329)	(141,848)
Deficit	(204,907)	(46,578)
Transfer of deficit on dissolution (Note 5)	204,907	—
Balance, end of period	$ —	$ (46,578)

Statement of Changes in Financial Position

	For the Period October 1 to Close of Business December 31, 1982	For the Year Ended September 30, 1982
Funds from operations		
Add items not requiring an outlay of funds		
— depreciation	$ —	$ 5,632
Proceeds on sale of fixed assets (Note 5)	67,931	—
	$ 67,931	$ 5,632
Application of funds		
Net loss	158,329	141,848
Purchase of fixed assets	—	2,368
	158,329	144,216
Decrease in working capital	$ (90,398)	$ (138,584)

(See accompanying notes)

Saskatchewan Fur Marketing Service

Statement of Operations

	For the Period Ended December 31, 1982	For the Year Ended September 30, 1982
Revenue		
Commission earned	$ —	$ 73,224
Brokerage and other charges	—	59,054
Miscellaneous revenue	1,514	—
	1,514	132,278
Operating expenses		
General operating	47,590	268,494
Depreciation	—	5,632
	47,590	274,126
Net loss, before extraordinary item	(46,076)	(141,848)
Extraordinary item (Note 6)	(112,253)	—
Net loss for the period	$ (158,329)	$ (141,848)

(See accompanying notes)

Notes to Financial Statements

December 31, 1982

1. **Status of the Corporation**

   The Saskatchewan Fur Marketing Service was established as a Corporation under The Crown Corporations Act 1947, Chapter 13, by virtue of Order-in-Council #1789/58 and operated under The Crown Corporations Act 1978. As of December 31, 1982, by virtue of Order-in-Council #2133/82, the Corporation was dissolved (See Note 5).

   The accounts of Saskatchewan Fur Marketing Service are consolidated in the annual financial statements of Crown Investments Corporation of Saskatchewan.

2. **Advances**

   These advances are non-interest bearing and repayable at the discretion of Crown Investments Corporation of Saskatchewan.

3. **Appropriated Retained Earnings — Reserve for Contingency**

   The reserve for contingency was appropriated from retained earnings to provide for any possible decline in the market value of furs.

4. **Related Parties**

   Included in these financial statements are revenue and expenses resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown controlled departments, agencies and corporations with which the corporation is related.

   Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

   Other amounts due to related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

5. **Dissolution of the Corporation**

   As of December 31, 1982, by virtue of Order-in-Council #2133/82, Saskatchewan Fur Marketing Service was wound up and the Corporation dissolved. Fixed assets were transferred to the Crown Investments Corporation of Saskatchewan (CIC) on December 4, 1982 for net book value of $67,931. All other assets were transferred to and all other liabilities assumed by the Crown Investments Corporation of Saskatchewan after the close of business but prior to year end resulting in a deficit of $204,907 being absorbed by Crown Investments Corporation.

Assets transferred and liabilities assumed by CIC	
Cash	$ 41,639
Accounts receivable and prepaid expenses	7,133
	48,772
Liabilities assumed	(58,679)
Excess of liabilities assumed over assets acquired by CIC	(9,907)
Transfer of loans and advances on dissolution	
Demand loan	(145,000)
Advances	(50,000)
Deficit transferred on dissolution	$(204,907)

6. **Extraordinary Item**

   As a result of the dissolution of the Corporation referred to in note 5 above, Saskatchewan Fur Marketing Service incurred certain dissolution costs in the amount of $112,253.